UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

S B ICE, LLC, a Florida limited liability company, Plaintiff,	08 Civ. 3164 (DLC)
-v-	OPINION & ORDER
MGN, LLC d/b/a/ TOUCH, a New York limited liability company, MUHAMET NIKEZI, an individual, and NAIM NEZAJ, an individual, Defendants.	

Appearances:

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DENISE COTE, District Judge:

Plaintiff S B ICE, LLC ("ICE"), a Florida corporation that operates a Florida nightclub and restaurant named TOUCH, brings this trademark infringement action against defendants MGN, LLC,

a New York corporation, and two of its principals, Muhamet Nikezi and Naim Nezaj (collectively, "MGN"), for operating a New York City nightclub bearing the same name. Defendants now move for judgment on the pleadings under Rule 12(c), Fed. R. Civ. P. For the following reasons, the motion is denied.

BACKGROUND

The following facts are taken from the complaint.[1] ICE has operated a Miami Beach nightclub and restaurant called "TOUCH" since August 2000. ICE has marketed TOUCH nationally and has developed a clientele that resides throughout the United States. ICE registered the "TOUCH" mark with the United States Patent and Trademark office in July 2004. Around November 2007, defendants began using the name and mark "TOUCH" for their New York City nightclub.

ICE filed a complaint seeking an injunction and damages against MGN on March 28, 2008, alleging trademark infringement under Section 32 the Lanham Act, 15 U.S.C. § 1114, and false

[1] Plaintiff has submitted evidence with its opposition to defendants' motion to dismiss, but has not attempted to amend its complaint. Defendants oppose any conversion of this Rule 12(c) motion into one for summary judgment. This Opinion will address this motion as one for judgment on the pleadings, and will therefore consider only the complaint, exhibits attached to the complaint, and documents integral to the complaint. Sira v. Morton, 380 F.3d 57, 67 (2d Cir. 2004); see Chambers v. Time Warner, Inc., 282 F.3d 147, 154 (2d Cir. 2002) (explaining that courts may choose between excluding material extraneous to the complaint and deciding the motion as one for summary judgment).

designation of origin and unfair competition under Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a). ICE also brought common law claims for trademark infringement and unfair competition. MGN answered the complaint and brought a counterclaim on June 24, 2008, seeking a declaration of non-infringement. On August 4, MGN moved to dismiss ICE's complaint under Rule 12(c).

DISCUSSION

When deciding a Rule 12(c) motion for judgment on the pleadings, "we apply the same standard as that applicable to a motion under Rule 12(b)(6)." Desiano v. Warner-Lambert & Co., 467 F.3d 85, 89 (2d Cir. 2007). A trial court considering a Rule 12(b)(6) motion must "accept as true all factual statements alleged in the complaint and draw all reasonable inferences in favor of the non-moving party." McCarthy v. Dun & Bradstreet Corp., 482 F.3d 184, 191 (2d Cir. 2007). At the same time, "conclusory allegations or legal conclusions masquerading as factual conclusions will not suffice to defeat a motion to dismiss." Achtman v. Kirby, McInerney & Squire, LLP, 464 F.3d 328, 337 (2d Cir. 2006) (citation omitted).

Under the pleading standard set forth in Rule 8(a)(2), complaints must include a "short and plain statement of the claim showing that the pleader is entitled to relief." Fed. R. Civ. P. 8(a)(2). "[A] plaintiff is required only to give a

defendant fair notice of what the claim is and the grounds upon which it rests." Leibowitz v. Cornell Univ., 445 F.3d 586, 591 (2d Cir. 2006). Rule 8 is fashioned in the interest of fair and reasonable notice, not technicality, and therefore is "not meant to impose a great burden upon a plaintiff." Dura Pharms., Inc. v. Broudo, 544 U.S. 336, 347 (2005).

A court considering a Rule 12(b)(6) motion applies a "flexible plausibility standard, which obliges a pleader to amplify a claim with some factual allegations in those contexts where such amplification is needed to render the claim plausible." Boykin v. KeyCorp, 521 F.3d 202, 213 (2d Cir. 2008) (citation omitted). "To survive dismissal, the plaintiff must provide the grounds upon which his claim rests through factual allegations sufficient to raise a right to relief above the speculative level." ATSI Commc'ns, Inc. v. Shaar Fund, Ltd., 493 F.3d 87, 98 (2d Cir. 2007).

Defendants argue that plaintiff's federal claims must be dismissed because ICE and MGN operate their nightclubs in geographically distinct markets. MGN asserts that the plaintiff must plead that there is a "present likelihood" that it will use its mark in the defendants' geographic market in order to state a Lanham Act claim.

Under Section 32(1)(a) of the Lanham Act, the owner of a mark registered with the Patent and Trademark Office can bring

suit against a person alleged to have used the mark without the owner's consent. ITC Ltd. v. Punchgini, Inc., 482 F.3d 135, 145-46 (2d Cir. 2007). Claims for trademark infringement are analyzed using the two-prong test from Gruner + Jahr USA Publ'g v. Meredith Corp., 991 F.2d 1072 (2d Cir. 1993). Louis Vuitton Malletier v. Dooney & Bourke, Inc., 454 F.3d 108, 115 (2d Cir. 2006). First, plaintiff's mark must merit protection. Id. Second, defendant's use of a similar mark must be likely to cause consumer confusion. Id. A plaintiff can satisfy the first prong by demonstrating that it holds a valid, registered mark. Brennan's Inc. v. Brennan's Restaurant, L.L.C., 360 F.3d 125, 130 (2d Cir. 2004).

To analyze the likelihood of confusion, courts use the multi-factor test from Polaroid Corp. v. Polarad Electronics Corp., 287 F.2d 492, 495 (2d Cir. 1961). Louis Vuitton Malletier, 454 F.3d at 116. The non-exclusive list of Polaroid factors includes: (1) the strength of the mark, (2) the similarity of the two marks, (3) the proximity of the products, (4) actual confusion, (5) the likelihood of plaintiff's bridging the gap, (6) defendant's good faith in adopting its mark, (7) the quality of defendant's products, and (8) the sophistication of the consumers. Id. An analysis of the likelihood of confusion is fact-intensive. Savin Corp. v. Savin Group, 391 F. 3d 439, 456 n.11 (2d Cir. 2004).

The third Polaroid factor, proximity of the products, involves two types of proximity: market proximity and geographic proximity. As described by the Second Circuit, "[m]arket proximity asks whether the two products are in related areas of commerce and geographic proximity looks to the geographic separation of the products. Both elements seek to determine whether the two products have an overlapping client base that creates a potential for confusion." Brennan's, Inc., 360 F.3d at 134. The mark of an establishment may be protected in a distant market, "at least where there is extensive advertising or evidence of strong reputation in the distant market." Id.

Brennan's demonstrates that customer confusion may plausibly arise where two establishments are located in the distant markets of New York and Florida. ICE's TOUCH mark may therefore qualify for protection against the TOUCH name used by MGN in New York if, for example, ICE submits evidence of a "strong reputation" or "extensive advertising" in New York sufficient to show an "overlapping client base." Plaintiff's complaint avers that it has a customer base throughout the United States, that it has promoted its trademark extensively, and that its mark is nationally known. These statements raise a plausible claim of trademark infringement. The defendants may be able to prove at trial that confusion is unlikely, but the inquiry in a Rule 12(b)(6) motion looks to the sufficiency of

the pleading, not of the evidence. Societe Des Hotels Meridien v. LaSalle Hotel Operating Partnership, L.P., 380 F.3d 126, 132 (2d Cir. 2004).

Moreover, the Polaroid test is a fact-intensive inquiry. Declaring one factor dispositive –- here, proximity -- is inappropriate at this early stage in the litigation. The complaint is sufficient to give MGN fair notice of the plaintiff's claim and to state a plausible claim for relief.[2]

Defendant relies on Dawn Donut Company, Inc. v. Hart's Food Stores, 267 F.2d 358 (2d Cir. 1959) ("Dawn Donut"), to support its argument that plaintiff must plead that it is likely to "use its service mark in the same geographic market as defendant" in order to bring an infringement action. The plaintiff in Dawn Donut had not "licensed or otherwise exploited the mark" in defendant's market for thirty years. Id. at 360. ICE's claim that it markets TOUCH nationally and has clients in New York distinguishes its use or exploitation of its mark from the Dawn Donut plaintiff's. As the Second Circuit recently explained by citing Dawn Donut, geographic separation is a "significant" –-

[2] Defendants also argue that there is no subject matter jurisdiction over this lawsuit because plaintiff's injury is hypothetical unless it demonstrates concrete plans to enter the New York market. Since the plaintiff's Lanham Act claims are neither "wholly insubstantial" nor "frivolous," Lyndonville Sav. Bank & Trust Co. v. Lussier, 211 F.3d 697, 701 (2d Cir. 2000) (citation omitted), there is subject matter jurisdiction over this litigation.

not a determinative -- "indicator that the likelihood of confusion is slight." Brennan's Inc., 360 F.3d at 135.

CONCLUSION

MGN's August 4, 2008 motion for judgment on the pleadings is denied.

SO ORDERED:

Dated: New York, New York
October 20, 2008

DENISE COTE
United States District Judge